



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Natural Resources

DIVISION OF OIL AND GAS

550 W. 7th Avenue Suite 1100
Anchorage, Alaska 99501-3560
Main: 907.269.8800
Fax: 907.269.8939

February 16, 2022

Keegan Fleming
Environmental Specialist
Hilcorp Alaska, LLC
3800 Centerpoint Dr Ste #1400
Anchorage, Alaska 99503

RE: LONS 81-054, Hilcorp Alaska, LLC, Milne Point Unit, B Pad, Development Well Unit Plan of Operations Amendment Decision.

Dear Mr. Fleming:

The Alaska Department of Natural Resources, Division of Oil and Gas (Division), in accordance with Alaska Statute 38.05 and Alaska Oil and Gas Leasing Regulations (11 AAC 83) grants authorization to conduct activities on state lands as proposed in the Milne Point Unit (MPU) Plan of Operations (Plan) amendment application dated January 20, 2022 for the above referenced project.

Scope:

Hilcorp Alaska, LLC (HAK) is seeking authorization to drill a new development well and install supporting infrastructure within the existing well row at B Pad, located within the MPU. HAK will install a well house and necessary tie-in infrastructure, including facility piping, electrical, instrumentation lines, power cables, and heat tracing. The new well will require approximately 250 feet of new piping to connect to the well header. Drilling muds, cuttings, brine, and completion fluids will be sent to an approved grind and inject facility for disposal. Drilling cuttings may be stored at the drilling waste monofil located on A Pad. All project work will be conducted from within the footprint of the existing gravel pad and will not require any gravel expansions, ice infrastructure, or tundra travel.

This authorization approves only installation and replacement activities that are directly associated with the Unit Plan of Operations for B Pad within the MPU.

Plan activities include:

- Drilling one new development well.
- Installing a well house over the well location.
- Installing tie-in infrastructure, including approximately 250 feet of new piping, electrical tie-ins, and instrumentation lines.
- Installing heat tracing.

- Transporting drilling waste off-site for disposal or storage.

Location information:

MPU

B Pad

Meridian: Umiat Township: 13N Range: 11E Section: 18
70.458572, -149.440991 NAD83
ADL: 47438

B Pad is located approximately three miles southeast of Milne Point and 11 miles northeast of the Kuparuk Airport.

Agency review:

The Division provided a review and comment opportunity for the activities considered for the authorization under this decision. The following government entities were notified on Thursday, January 27, 2022, for comment on the Plan: US Army Corp of Engineers (USACE), Alaska Department of Environmental Conservation (ADEC), Alaska Department of Fish and Game (ADF&G), and Alaska Department of Natural Resources: Divisions of Mining, Land & Water (DMLW) and Oil and Gas (DOG), and the North Slope Borough (NSB). The comment deadline was 4:30 pm Alaska time on Thursday, February 10, 2022. No comments were received.

Conditions/Stipulations:

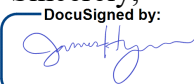
A certified As-Built Survey of the activity shall be provided within one year of placement of the improvement. This As-Built must contain a hard copy, as well as a digital GIS file containing a shapefile or ESRI Feature Class.

Please attach this amendment approval with the original decision. This unit operations amendment approval is issued in accordance with Alaska Statute 38.05, Alaska Administrative Codes 11 AAC 83.346 and 11 AAC 83.303. The Division reviewed this amendment under the unit regulation for the Plan, 11 AAC 83.346, and considers the factors set forth in 11 AAC 83.303(a) and (b). The amendment was also evaluated against the MPU agreement for conformance.

This approval signifies only that the State of Alaska has no objection to the operations outlined in the Plan amendment application. It does not constitute certification of any property right or land status claimed by the applicant nor does it relieve the applicant of responsibility to obtain approvals or permits from other persons or governmental agencies that may also be required. All stipulations contained in the original lease and subsequent Plan approvals remain in full force and effect.

If activities have not commenced, this approval expires on February 15, 2025. Failure to comply with the terms and conditions outlined in the lease, the attached stipulations, and this authorization may result in revocation of this unit operations approval.

Any questions or concerns about this amendment may be directed to Natural Resource Specialist Jacob Rowland at (907) 269-8570 or emailed to jacob.rowland@alaska.gov.

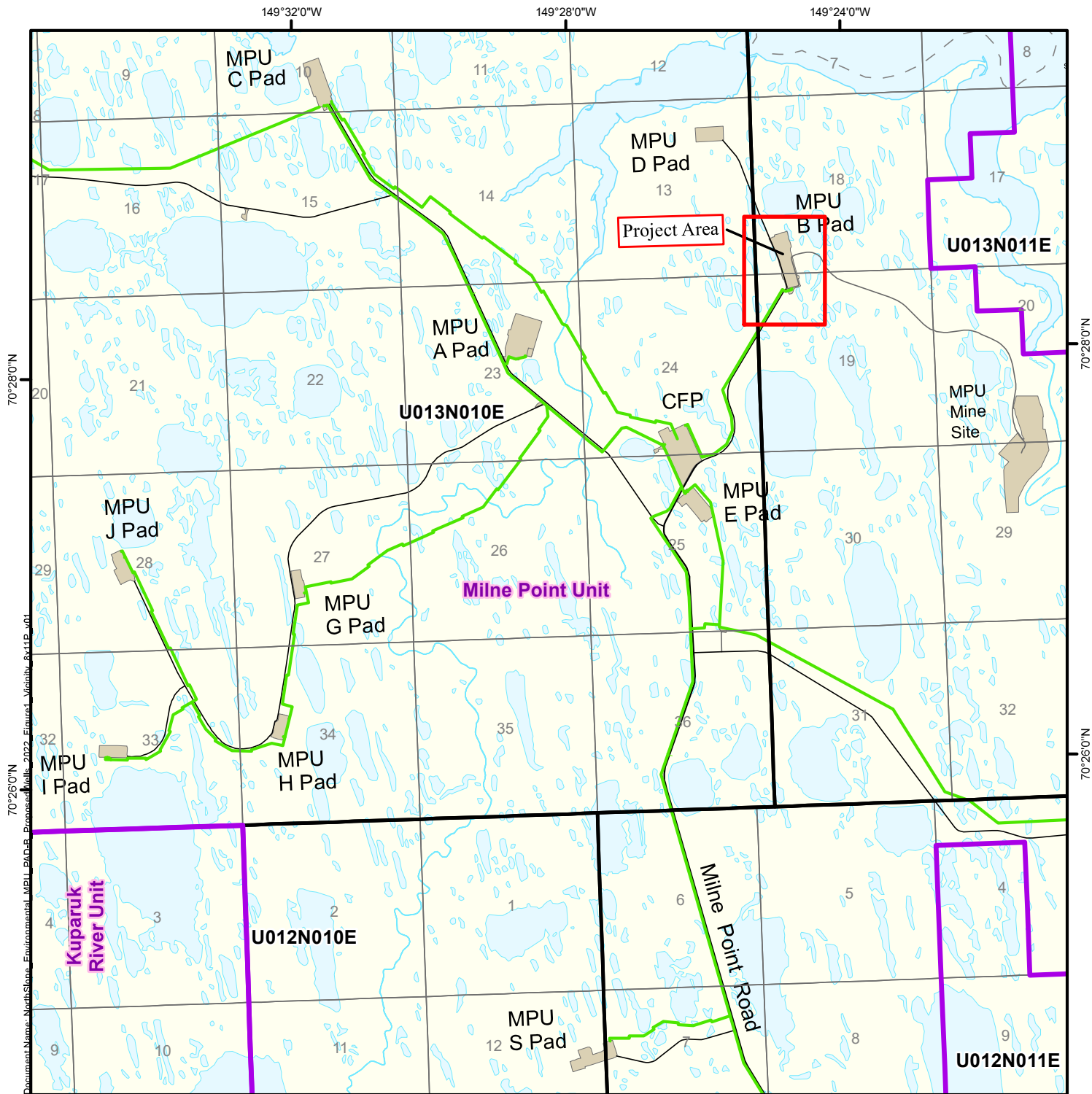
Sincerely,
DocuSigned by:

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James Hyun
Natural Resource Specialist

A person affected by this decision may appeal it, in accordance with 11 AAC 02. Any appeal must be received within 20 calendar days after the date of “issuance” of this decision, as defined in 11 AAC 02.040(c) and (d) and may be mailed or delivered to the Commissioner, Department of Natural Resources, 550 W. 7th Avenue, Suite 1400, Anchorage, Alaska 99501; faxed to 1-907-269-8918, or sent by electronic mail to dnr.appeals@alaska.gov. Under 11 AAC 02.030, appeals and requests for reconsideration filed under 11 AAC 02 must be accompanied by the fee established in 11 AAC 05.160(d)(1)(F), which has been set at \$200 under the provisions of 11 AAC 05.160 (a) and (b). This decision takes effect immediately. If no appeal is filed by the appeal deadline, this decision becomes a final administrative order and decision of the department on the 31st calendar day after issuance. An eligible person must first appeal this decision in accordance with 11 AAC 02 before appealing this decision to Superior Court. A copy of 11 AAC 02 may be obtained from any regional information office of the Department of Natural Resources.

Attachments: Figures 1-2
2018 North Slope Mitigation Measures

ecc: DOG: Graham Smith, James Hyun, Mark Henspeter, Ashley Ethridge, Alexander Zinck,
DOG Units, SPCO Records
DMLW: DMLW North Slope and Henry Brooks
ADF&G: Chelsea Clawson and Maria Wessel
ADEC: Laurie Silfven
Borough: North Slope Borough Planning and Permitting
Other: USACE



Project Location:
Milne Point Unit - MPU B Pad

Latitude (Decimal Degrees): 70.474012, NAD 1983
Longitude (Decimal Degrees): -149.41495, NAD 1983

Alaska State Plane Zone 4, NAD 1983
X = 1712038.46
Y = 6023181.33

Sec. 18, 19, T13N, R11E, Umiat Meridian

ADL#: 047438
Adjacent Property Owner: State of Alaska

Legend

- Existing Pipeline (Above Ground)
- Gravel Footprint
- Oil and Gas Unit Boundary

Alaska State Plane Zone 4 NAD 1983 (Feet)

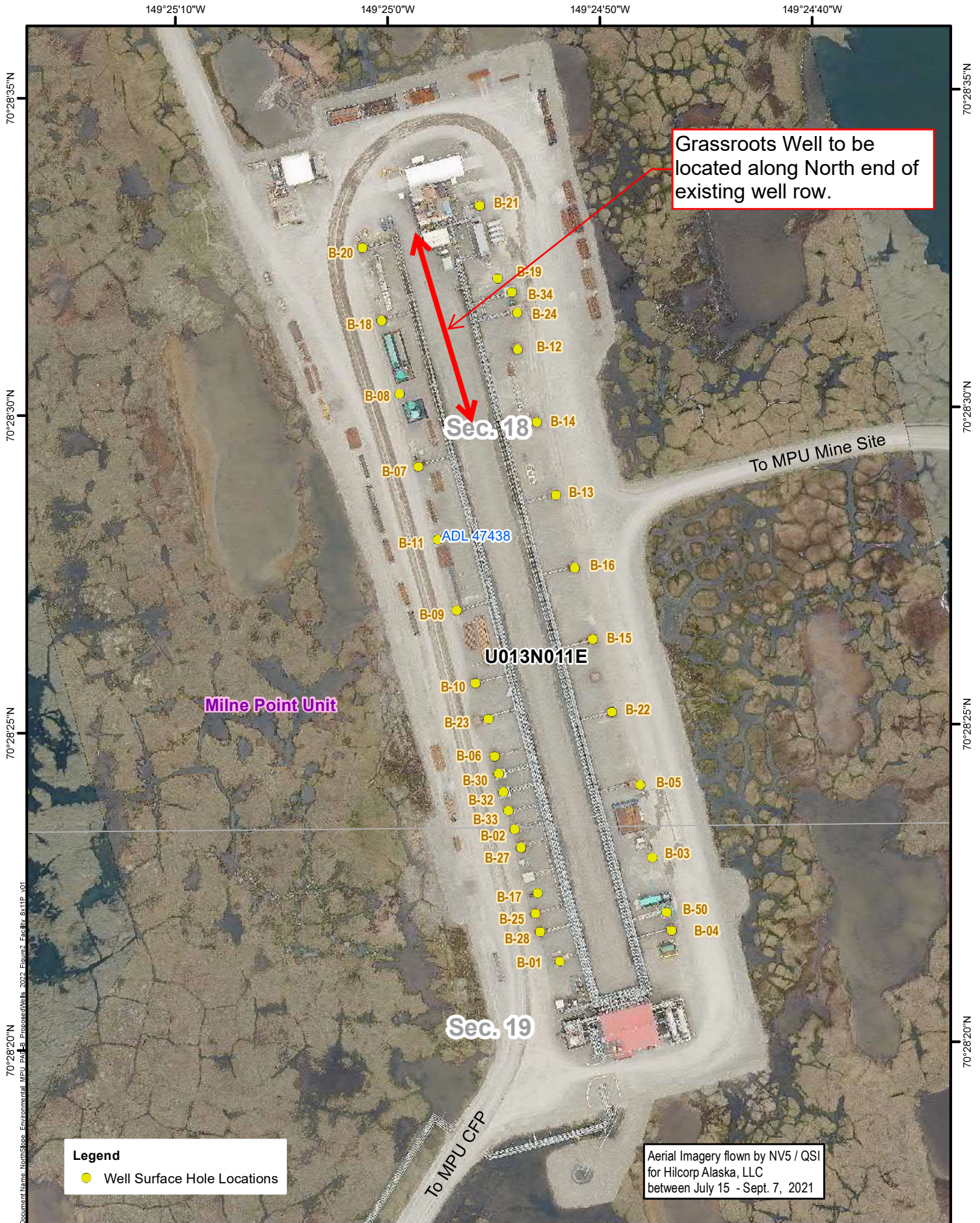
0 0.5 1 Kilometers

0 0.5 1 Miles



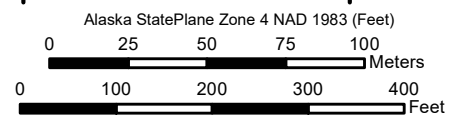
Map Date: 1/19/2022

Milne Point Unit MPU B Pad Proposed Well Location Vicinity Map



Map Date: 1/19/2022

**Milne Point Unit
MPU B Pad
Proposed Well Location
Facility Map**



1 inch = 200 feet @ 8 x 11 page size

